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United States
Department of
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Office of
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Speeches and Major Press Releases

December 1 - December 5, 1980

Speeches and Major Policy Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Excerpts of remarks by Deputy Secretary of Agriculture Jim Williams before the National Direct Marketing Conference, Silver Spring, Maryland, Dec. 3, 1980.

I think it would be appropriate this morning, with just over one month left in this administration, to go back to the beginning, to tie a few things together.

When I first came to the Department of Agriculture, not quite two years ago, people asked me how I viewed my role. I told them in a single word: coordination.

This meant administrative coordination, working closely with the under secretary, five assistant secretaries, and director of economics, who oversee the work of some 20 agencies, boards and offices. Eighty-five thousand full-time employees have kept this work, the life of this department, running on course for the past 30 years, administration-in and administration-out.

This also meant coordination in terms of policy.

It seemed to me right from the start that the mission of this department is defined less by politics than by the times. I believe that the tone set by the Carter Administration--to make food and agriculture policy work for the people of this country--will be heard through the 80's.

This administration's policy has been based on the interests and input of all Americans--farmers, food processors, and consumers.

In four years, we have:

- predicted and stabilized the food and fiber supply;
- developed a total national food policy involving the entire food system from producer to consumer;
- provided for a better and more healthy rural America; and
- provided a natural resource base to ensure food and fiber for future generations.

Yet the overriding accomplishment of this administration of the Department of Agriculture--and the unstated one--has been to bring a cohesiveness to all these elements of food and agriculture policy.

We have demonstrated how these elements, once thought unrelated, can and must work together to provide the American people with a reliable present and future food and fiber supply while providing farmers with a fair return for their labor and investment.

Consumers may not request this kind of broad representation in so many words. But this is what they are demanding every time food prices rise and they demand to know exactly how their food dollar is being spent.

Farmers may feel that the department is slighting their interests as its representation grows, but it is precisely their interests that are represented as the public learns that the marketing process gets 68 cents--and the farmer only 32 cents--of every consumer food dollar.

Domestic food prices are increasing 9 percent this year and USDA predicts that they will increase 10-15 percent in 1981.

In 1980 Americans are spending \$269 billion on U.S.-produced food.

The farm value of this food is \$87 billion and the marketing bill is \$182 billion.

Labor accounts for 46 percent of food marketing costs.

Packaging -- 12 percent. Transportation -- 8 percent.

Direct-use energy -- 6 percent.

As was pointed out in last month's Outlook Conference, prices for packaging, transportation and energy rose rapidly in early 1980. These three inputs, along with labor, were the chief cause of food price rises through the middle of the year.

Although the 6 percent of the food marketing bill accounted for by direct energy use doesn't sound like much, energy is actually playing a great role in food price patterns and will continue to do so in the next decade.

That 6 percent doesn't reflect the impact of indirect energy use on transportation and packaging costs.

The transportation and packaging materials used in food marketing this year are costing 14 percent more than in 1979.

And the cost of energy used in food marketing is averaging 30 percent more than last year.

USDA estimates that food processors' energy expenses increased 110 percent from 1974 to 1979.

That clearly links the American consumer's food marketing bill for the greater part of the past decade to the OPEC oil embargo. This single event, more than any other of the past 30 years, shifted the balance of power and made Americans aware that they are a part of a vast, interdependent, international system.

This also links the American consumer's food marketing bill for the coming decade to the volatile, unstable, and oil-rich Persian Gulf region and it builds an element of uncertainty into the food marketing process.

For reasons such as these I believe that the basic concept and need for an overall food and agriculture policy is here to stay.

The direct influence of energy price fluctuations on food processing and retailing and the indirect influence of energy costs on transportation and packaging can no more be separated from food marketing than marketing can be separated from agricultural policy or

the consumer's interests can be separated from those of the farmer.

I believe that such factors, which not long ago were considered outside the realm of agricultural matters, may be linked even more closely in the 1980's.

It was to bring cohesiveness to such seemingly disparate factors that this administration developed a total national food and agriculture policy.

And it was to make more efficient that part of the farm-to-table food system that accounts for two-thirds of every consumer food dollar that this administration emphasized agricultural marketing along with production programs.

- Secretary Bergland improved the department's capability to provide transportation assistance to agricultural producers, shippers and rural communities by moving the transportation work of 12 USDA agencies into a central Office of Transportation.
- In the 1981 budget request, USDA is asking for \$53 million to conduct research on post-harvest technology (how to get food to the consumer in the most economical and efficient way-- storage, transportation, packaging, distribution). This represents 13 percent of the total agricultural research budget request.
- As a complement to the marketing research work being done by the Science and Education Administration, a Marketing Research and Development Division has been set up in the Agricultural Marketing Service to work on wholesale market development.
- And, in 1977 and 1978, AMS and SEA conducted an important, first-of-its kind congressionally-mandated pilot program under the Direct Marketing Act. In those two years, USDA awarded grants totalling \$1.9 million for 21 projects in 23 states and Puerto Rico.

The results have been worth assessing, and that is what we are about today. Direct marketing has demonstrated results that can be calculated--its ability to capture 10-12 percent of total retail fresh fruit and vegetable sales and its economies of scale, for example. It has also demonstrated results that aren't so easily figured--such as, quality, variety, and revitalization of native production.

I believe that the 1980's will be a time conducive to the direct marketing concept. It has been shown that direct marketing can boost income to small or part-time farmers while providing produce at lower costs to consumers. I hope that refinements of the program will continue to be made. The future of direct marketing may depend in large part on the conclusions reached here this week and I look forward to hearing them.

Regardless of direct marketing's immediate future, its role--and yours--in a very important time for agricultural marketing is now a matter of record.

Direct marketing has shown itself to be a legitimate and innovative marketing alternative during a time when Americans have demanded to know where their food dollar is going, and an administration has made food and agriculture--marketing and production--work for the consumers and farmers of this country.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

PUBLIC ASKED TO COMMENT ON MEAT IMPORT LEVEL FOR 1981

WASHINGTON, Nov. 28--Under Secretary of Agriculture Dale Hathaway today said the public will have 30 days to comment on a proposal which would permit meat imports to continue to enter the United States without restriction.

"Current estimates of imports of meat covered by the Meat Import Act are 1,420 million pounds for 1980 and 1,458 million in 1981, without restrictions in either year," Hathaway said. The quota for 1981, according to the Meat Import Act formula, is 1,315 million pounds, and the meat import trigger level is 1,447 million--110 percent of the quota.

"A meat import estimate above the trigger level requires limits be imposed; however, the president may suspend limitations when the supply of cow beef is below the previous five-year average, which is the case this year. Therefore, the choice for 1981 is between negotiated voluntary restraint agreements with meat exporters at a level slightly below the trigger level of 1,447 million pounds, or permitting meat to continue to enter without restriction," Hathaway said. "This basic choice is available to the president now and will be available in March and June of 1981, when the next estimates are made."

Hathaway said the difference of about 20 million pounds between voluntary restraints and a continuation of unrestrained imports in 1981 is too small to quantify any impacts on either producers or consumers.

"World meat supplies remain tight," Hathaway said, "and we do not expect substantially larger quantities of meat to be available to enter the United States in 1981 than were available in 1980. While current estimates indicate that imports may exceed the trigger level, estimates are revised quarterly based on actual data. A year ago the estimate of meat imports was 1,650 million pounds in the absence of restraints, but the current estimate of 1980 imports is only 1,420 million pounds."

The notice of intention to suspend meat import quotas will be published in next week's Federal Register. Comments should be sent to Under Secretary Dale E. Hathaway, International Affairs and

Commodity Programs, room 6616-S, USDA, Washington, D.C., 20250, and will be considered before final action is taken.

All comments received will be available for public inspection at this location during regular business hours. Copies of an impact statement are available at the above address upon request.

Below is a list of meat imports subject to the law, by month, from January 1977 through October 1980.

MONTH	1977	1978	1979	
January	92.8	79.2	120.9	144.3
February	97.8	100.3	134.2	107.0
March	107.0	150.8	151.5	97.1
April	103.2	132.6	142.4	101.9
May	102.9	140.9	144.6	105.0
June	91.5	105.7	139.4	99.5
July	90.5	105.2	120.7	146.0
August	133.8	104.9	104.9	123.4
September	117.1	132.5	84.8	100.5
October	85.8	115.7	122.51	132.4
November	107.9	231.4	132.0	
December	120.0	86.1	155.9	
Totals ¹	1,251.4	1,485.5	1,553.8	

¹May not add due to rounding.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

CHINA SEEN AS \$4 BILLION U.S. FARM MARKET BY MID-DECADE

BEIJING, CHINA, Nov. 28--William L. Davis, agricultural counselor at the American Embassy in Beijing, predicted today that U.S. farm product sales to China will exceed \$4 billion a year by the middle of the 1980's.

"U.S. agricultural exports to China doubled this year--to about \$2 billion," he said. "We expect another doubling within three or four years. China now is among the top five export markets for U.S. farmers."

Davis' prediction came near the end of the first U.S. agricultural trade show to be held in China. By the close late today, well over 100,000 Chinese will have visited the agricultural pavilion at the U.S. Economic and Trade Exhibition here.

"More important to us," said Davis, "is the fact that we have met directly with nearly a thousand leaders from all over China in a series of 23 half-day seminars directed at crop, livestock and poultry production. From the United States, we had seven university people, six from industry and 10 from associations--all highly trained and experienced in their specialty.

"The Chinese are eager to expand food production through better seeds, improved breeding stock, and improved techniques in livestock production. These seminars put their agricultural leaders in touch with representatives of U.S. commodity associations who are in a position to work with them. It is an opportunity for both sides--for the exchange of ideas, of breeding stock, of plant genetic materials, and for expanded trade."

Davis said that growth and improvement in China's livestock and poultry industries should lead to increased sales to China of U.S. grains, soybeans and other feedstuffs. A demonstration bakery, to be established in Beijing, will train technicians and make better known the baking qualities of American wheat.

"This year, grains have accounted for about one-half of the \$2 billion in U.S. agricultural exports to China," Davis said. "Soybeans and

soybean products make up more than \$250 million of the total, and cotton shipments run about \$700 million. This recent growth has been based primarily on a surge in demand for wheat and cotton. I think that these commodities will continue to be important but that the next surge will be in the livestock and feed complex--grains and soybeans. In addition, we will see other commodities adding to this trade--for example, seeds, hides and skins, and tallow."

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

1981 WOOL AND MOHAIR SUPPORT PRICES ANNOUNCED BY USDA

WASHINGTON, Nov. 28--Price supports of \$1.35 per pound for wool and \$3.718 per pound for mohair for the 1981 marketing year have been announced by a U.S. Department of Agriculture official.

According to Ray Fitzgerald, administrator of USDA's Agricultural Stabilization and Conservation Service, each support price is 72.2 percent of parity and compares with 1980 support prices of \$1.23 for wool and \$2.903 for mohair.

Fitzgerald said pulled wool will continue to be supported at a level comparable to the support price for shorn wool through payments on unshorn lambs.

As in past years, shorn wool payments will be based on a percentage of each producer's returns from sales, Fitzgerald said. The percentage will be that required to raise the national average price received by all producers for shorn wool in 1981 up to the support price of \$1.35 a pound. Currently shorn wool prices are averaging about 90 cents per pound.

Any mohair payments will be calculated in a manner similar to wool. However, Fitzgerald said, mohair payments for 1981 probably will not be necessary as it appears that the average price received by producers in the open market may be higher than the support price.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

STATES RECEIVE PAYMENTS FROM NATIONAL FOREST SYSTEM

WASHINGTON, Dec. 1--Forty states and Puerto Rico soon will receive checks totaling more than \$60.9 million as final payment of their shares of receipts collected for the use of National Forest System lands during fiscal year 1980.

Secretary of Agriculture Bob Bergland, who announced the payments today, said the checks totaled \$234 million this year.

By law, 25 percent of the revenues collected by the U.S. Department of Agriculture's Forest Service from timber sales, grazing, recreation, mineral and other resource uses on the 187 million acres of national forest system lands must be returned to the states.

Bergland said the funds are to be used for schools and roads in the counties where the national forest system lands are located.

Credits made to timber purchasers for building roads and funds collected and used by the Forest Service to improve timber sale areas are included. The remaining revenues are deposited into the general fund of the U.S. Treasury.

An interim payment of \$173.8 million, representing 75 percent of the estimated amount due the states for 1980, was mailed Oct. 1, immediately after the end of the fiscal year.

Bergland said the interim payment was made to help the communities plan their budgets. The payments announced today are the difference between the interim payments and the total amounts to which the states are entitled, based on actual receipts collected in fiscal year 1980.

The largest payment, \$98.8 million, went to Oregon. California received the second largest payment of \$37.5 million. Washington ranked third, receiving \$32.7 million.

The states and their 1980 payments follow:

**SUMMARY OF PAYMENTS TO STATES FROM
NATIONAL FOREST SYSTEM RECEIPTS
FISCAL YEAR 1980**

STATE	Total Received 1980
Alabama	\$ 952,876.75
Alaska	6,528,080.25
Arizona	4,395,378.83
Arkansas	4,271,837.87
California	37,551,016.98
Colorado	1,957,927.03
Florida	1,614,694.81
Georgia	826,233.95
Idaho	10,314,553.65
Illinois	54,782.00
Indiana	67,039.36
Kentucky	183,669.53
Louisiana	2,328,512.05
Maine	16,333.51
Michigan	827,948.56
Minnesota	1,139,373.00
Mississippi	5,682,029.17
Missouri	3,852,317.38
Montana	7,584,826.83
Nebraska	59,623.07
Nevada	310,545.59
New Hampshire	241,861.69
New Mexico	2,428,874.99
North Carolina	506,045.85
North Dakota	83.17
Ohio	60,343.73
Oklahoma	605,037.29
Oregon	98,888,365.36
Pennsylvania	664,163.48
South Carolina	1,811,656.41

South Dakota	713,073.24
Tennessee	273,776.95
Texas	1,485,640.99
Utah	1,107,936.45
Vermont	156,355.32
Virginia	251,469.14
Washington	32,708,540.02
West Virginia	199,509.57
Wisconsin	469,578.85
Wyoming	1,397,123.28
Puerto Rico	6,574.92
Grand Total	\$234,495,610.87

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

GRAIN INSPECTION AND WEIGHING FEES WILL INCREASE JAN. 4

WASHINGTON, Dec. 1--Fees for original inspection and official grain weighing in the United States will increase on Jan. 4, a U.S. Department of Agriculture official said today.

The new hourly fees per USDA employee for original "online" grain inspection --online means the sample was taken from a moving stream of grain--and for weighing services will include:

--\$13 for contract services and \$16 for non-contract services on regular workdays, an increase of \$1.80 and \$3.20, respectively; and

--\$16.60 for contract services, and \$20 for non-contract services during nights, weekends and holidays, an increase of \$2.20 and \$4, respectively.

Leland E. Bartelt, administrator of USDA's Federal Grain Inspection Service, said the present fees did not earn enough revenue during the past fiscal year to cover costs of providing the services.

"These changes are being made to equate the fees as closely as possible with the costs of providing services, and to maintain a nominal operating reserve, as required by the U.S. Grain Standards Act," Bartelt said.

Inspection fees for other than online inspection services will be \$7.80 for each truck or trailer, presently \$6.50; \$12 each for boxcars, now \$10; \$16.25 each for hopper cars, now \$13.50; and \$3 per 1,000 bushels for inspecting grain in barges, now \$2.50.

Under the new fee schedule, standby fees for other than online original grain inspection services in trucks, boxcars, hopper cars and barges will not be assessed for any consecutive 30-minute period.

At present, standby fees are authorized in all cases except when the services are performed under contract. FGIS is also increasing--from \$1.50 to \$2.50 per hour--the amount it will reimburse official inspection agencies, upon request, for providing a file sample required for appeal inspection purposes.

Under the new schedule, when hourly rates apply, FGIS will charge a minimum fee when the request for service is cancelled after FGIS

employees arrive at the service point, or when two hours or less is required to do the job.

A minimum fee is now charged only when the service request is cancelled after employees arrive at the service point.

Fees will not increase for appeal inspections and reinspections performed by USDA in the United States. All fees in Canada will remain the same, he said.

Bartelt said the changes in weighing fees do not reflect the impact of Public Law 96-437, which removed the requirement for official weighing of most grain coming into export elevators at export port locations. FGIS will reevaluate the weighing fees when there is sufficient data.

"Weighing fees had not changed since December 1978, when FGIS reduced them by 20 percent," Bartelt said. "Some inspection fees were reduced by 12.5 percent at the same time."

Details of the fee increase will be published in the Dec. 1 Federal Register.

Copies of the impact statement describing the options considered may be obtained from the issuance and coordination staff, room 1127 Auditors Building, FGIS-USDA, Washington, D.C., 20250. Telephone (202) 447-3910.

Copies of the new fee schedule and further information may be obtained from John W. Marshall, director, inspection division, room 0627 South Building, FGIS-USDA, Washington, D.C., 20250. Telephone (202) 447-8497; or from George T. Lipscomb, director, weighing division, room 3117 Auditors Building, FGIS-USDA, Washington, D.C., 20250. Telephone (202) 447-4851.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

PRELIMINARY SUMMARY OF FOOD ASSISTANCE PROGRAM RESULTS FOR SEPTEMBER 1980 RELEASED

WASHINGTON, Dec. 2--Preliminary estimates of participation in the federal-state food assistance programs for September with comparisons to the previous month and to the same month of last year were released today by Carol Tucker Foreman, assistant secretary of agriculture for food and consumer services.

They are:

	Sept. 1979	Aug. 1980	Sept. 1980
Food Stamp Program:			
People participating (millions)	19.3	22.1	22.0
Value of bonus coupons (millions)	\$641.4	\$762.6	\$751.1
Average bonus per person.....	\$33.24	\$34.56	\$34.11
Family Food Distribution Program:			
Number of projects in operation	39	72	69
People participating (thousands)	105.2	84.5	76.2
Special Supplemental Food Program (WIC):			
People participating (millions)	1.582	2.141	2.224
Federal food costs (millions) ^a	\$35.1	\$57.4	59.6
Commodity Supplemental Food Program:			
Number of projects in operation	24	20	20
People participating (thousands)	97.3	101.2	105.8
National School Lunch Program:			
Number of schools participating ^b	94,562	NC	94,295
Children participating (millions)	26.5	NC	25.7
Children reached with free or reduced price lunches (millions)	10.9	NC	10.9
Percentage of lunches served free.....	34.9	NC	36.2
Percentage of lunches served at reduced price.....	5.6	NC	5.8
School Breakfast Program:			
Number of schools participating ^b	31,014	NC	33,394

Children participating (millions)	3.1	NC	3.3
Percentage of breakfasts served free or at reduced price.....	83.5	NC	84.2
Child Care Food Program:			
Number of outlets taking part.....	29,102	34,495	37,496
Children participating (thousands).....	602.3	556.7	647.5

NC = Data not comparable. Few schools operate child feeding programs during summer months.

^aDue to monthly fluctuations, federal administrative expenditures are excluded from this program.

^bThese data are collected semi-annually (October and March). Figures for the latest available month (March) are listed.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

STRONG MARKET PRICES MAKE 1980-CROP BARLEY, WHEAT DEFICIENCY PAYMENTS UNNECESSARY

WASHINGTON, Dec. 2--The U.S. Department of Agriculture will make no deficiency payments on the 1980 crops of barley and wheat, according to John Goodwin, associate administrator of USDA's Agricultural Stabilization and Conservation Service.

Goodwin said such payments are not required under the 1980 feed grain and wheat programs because market prices have been well above established target price levels of \$2.55 for barley and \$3.63 for wheat. During the June through October marketing period the national average market prices were \$2.59 per bushel for barley and \$3.89 per bushel for wheat.

Goodwin also said the final 1980 national program acreage for barley has been increased from 7.9 to 8.3 million acres and the national program acreage for wheat has been increased from 70 to 75 million acres. The national program acreage represents the number of acres of a crop needed to meet estimated demand and assure desirable carryover levels, Goodwin said.

He said the allocation factor for both wheat and barley is 100 percent. The allocation factor is computed by dividing the national program acreage for a crop by the harvested acreage.

If 1980-crop deficiency payments for corn and sorghum are required, they will be made next April, Goodwin said.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA TO INCREASE FOOD STAMP ALLOTMENTS JAN. 1

WASHINGTON, Dec. 2--Food stamp households will get a cost-of-food increase starting Jan. 1, the first adjustment in food stamp benefits in a Assistant Secretary of Agriculture Carol Tucker Foreman said today.

The 11.5 percent increase reflects the rise in the cost of the U.S. Department of Agriculture's "Thrifty Food Plan" between September 1979 and September 1980, she said. The thrifty plan is the lowest cost food plan USDA has, and it serves as the basis for the program's benefit levels.

Because of 1980 legislation designed to reduce program costs, food stamp allotments are now adjusted for cost-of-food increases only once a year, on Jan. 1 she said. In past years, allotments were adjusted twice a year, in January and July.

The switch to annual rather than semi-annual adjustments in food stamp benefits cut food stamp costs by \$133 million in fiscal year 1980 and is expected to save an additional \$300 million in fiscal year 1981, Foreman said.

On Jan. 1, the maximum monthly food stamp benefit for a family of four with no net income will increase from \$209 to \$233. Nearly all food stamp house-holds will get less than this amount, though, because allotments are reduced in families have income. Currently, food stamp benefits average 38 ces per person per meal.

Effective Jan. 1, maximum food stamp benefits for households with no net income are:

One person household	-	\$70	Five person household	-	\$277
Two person household	-	\$128	Six person household	-	\$332
Three person household	-	\$183	Seven person household	-	\$367
Four person household	-	\$233	Eight person household	-	\$419

For each additional member over eight, add \$53 per month.

Also effective Jan. 1, deductions used to calculate net income for food stamp households will be updated to reflect changes in the Consumer Price Index. The standard deduction will increase from \$75 to \$85. In addition, the maximum deduction a family may claim for excess shelter costs and dependent care will rise from a combined total \$90 to \$115. The maximum deduction for shelter and dependent care costs has not been adjusted for 18 months. The increase announced today reflects increases over this one and a half year period in the cost of shelter, fuel and utilities.

Tables with the new allotment and benefit levels for the 48 states and the District of Columbia, plus other tables detailing allotments and deductions for Alaska, Hawaii, Guam and the Virgin Islands, and deductions only for Puerto Rico will appear in the Dec. 2 Federal Register. Allotment tables for Puerto Rico will appear later in the Federal Register.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

U.S.-MEXICO SIGN SUPPLY AGREEMENT FOR AGRICULTURAL PRODUCTS IN 1981

WASHINGTON, Dec. 3--The United States and Mexico today signed an agreement providing for the purchase by Mexico of at least 6 million metric tons of U.S. agricultural commodities in calendar year 1981.

According to Secretary of Agriculture Bob Bergland, the agreement is similar to a pact for 1980 signed last January covering 4.76 million tons of commodities and amended in September to 7.2 million tons.

Including purchases which had been made before the signing of the 1980 agreement, Mexico has now purchased 10.4 million metric tons of all specified commodities for delivery in 1980. This will make Mexico a \$2 billion U.S. market, the third largest customer for U.S. agricultural products.

"There are some differences in terminology and in numbers," Bergland said of the new agreement, "but the supply and purchase assurances are continued, and the avenues for cooperation are broadened and spelled out."

Bergland said the new agreement permits Mexico to purchase a minimum of 6.15 million tons of U.S. agricultural products in 1981, chiefly sorghum, corn, soybeans and wheat. "For its part, the United States will endeavor to assure that supplies are available, and will do all it can to facilitate their purchase by Mexico," Bergland said.

He said sales of commodities covered by the agreement will be made through normal commercial channels and the prices will be those prevailing in the market at the time contracts are negotiated.

"We have learned from our experience with the 1980 agreement that cooperation in agricultural trade is beneficial on both sides of our common border," Bergland said. "The new agreement emphasizes the joint effort."

"It specifies consultations within six months or at the request of either party for the exchange of information on supply and needs, and it pledges the fullest mutual effort to assure delivery of the commodities, particularly a continuation of the work that has been

done this year on rail transportation."

Bergland termed "unprecedented" the cooperation between U.S. and Mexican governments and railroads to alleviate transportation bottlenecks which might have prevented Mexico from meeting its 1980 needs.

Commodities and quantities (in ranges) covered under the new agreement are:

PRODUCT	QUANTITY RANGE	(Metric Tons)
Corn, No. 2	1,500,000 -	2,250,000
Sorghum or Corn, No. 3	2,500,000 -	3,000,000
Edible Beans	100,000 -	200,000
Soybeans	850,000 -	1,000,000
Sunflower Seed	200,000 -	300,000
Soybean Meal	170,000 -	200,000
Tallow	60,000 -	80,000
Crude Soybean and/or Sunflower Oil	10,000 -	20,000
Cottonseed	100,000 -	80,000
Rice	50,000 -	65,000
Nonfat Dry Milk	10,000 -	35,000
Wheat	600,000 -	850,000
TOTALS	6,150,000 -	8,180,000

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

HIGHER LOAN LEVELS SET FOR 1980 RESERVE GRAINS

WASHINGTON, Dec. 3--Producers placing 1980-crop grains in the farmer-held reserve today became eligible for special higher loan levels and interest on those loans will be waived as a result of President Carter signing the Agricultural Act of 1980.

Secretary of Agriculture Bob Bergland said wheat producers placing this year's crop into reserve will receive a \$3.30-per-bushel loan compared to the \$3.00-loan level for wheat not in the reserve program. 1980-crop corn going into reserve will receive a \$2.40 loan compared to the \$2.25 loan for non-reserve corn. Producers placing 1980-crop barley in reserve will receive a 12-cent premium above the \$1.83 loan level for non-reserve barley.

Producers with 1980-crop wheat, corn and barley already in reserve may request the higher price supports at their local county ASCS office, Bergland said. Reserve release and call prices are not affected by today's action.

The act also provides for a 7-cent reserve premium to the current oat loan level of \$1.16 per bushel and 14-cent premium to the \$2.14-per-bushel loan for non-reserve sorghum. However oats and sorghum have already been called from reserve.

Bergland said the new higher loan levels for reserve commodities will help strengthen the reserve program.

"While crop prices are likely to remain very strong through this year, there will be years in the future when grain supplies will exceed current-year needs. This measure will make the reserve an even more attractive marketing alternative to producers when it is needed," Bergland said.

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